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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, A. D. 1943.

No. 583

GRAND RAPIDS FURNITURE COMPANY,
AN ILLINOIS CORPORATION,

Petitioner,

vs.

GRAND RAPIDS FURNITURE COMPANY,
A CORPORATION, ET AL.,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

PETITION FOR WRIT OF CERTIORARI AND BRIEF IN SUPPORT THEREOF.

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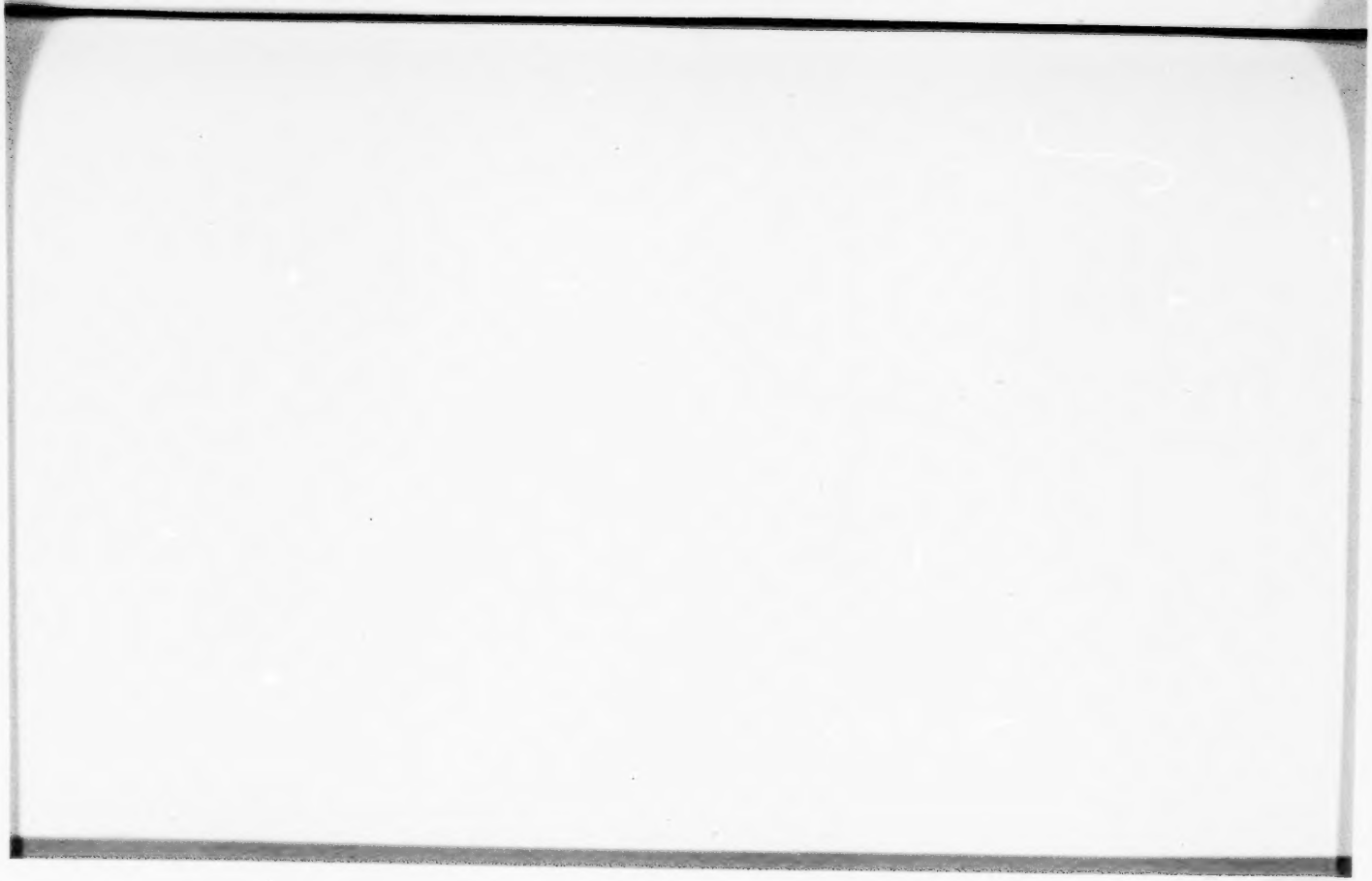

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In Illinois, unfair competition is a convenient term for "palming-off" or passing off by the defendant of its goods and merchandise as the goods and merchandise of the plaintiff, and in Illinois where there is no "palming-off" there is no unfair competition.

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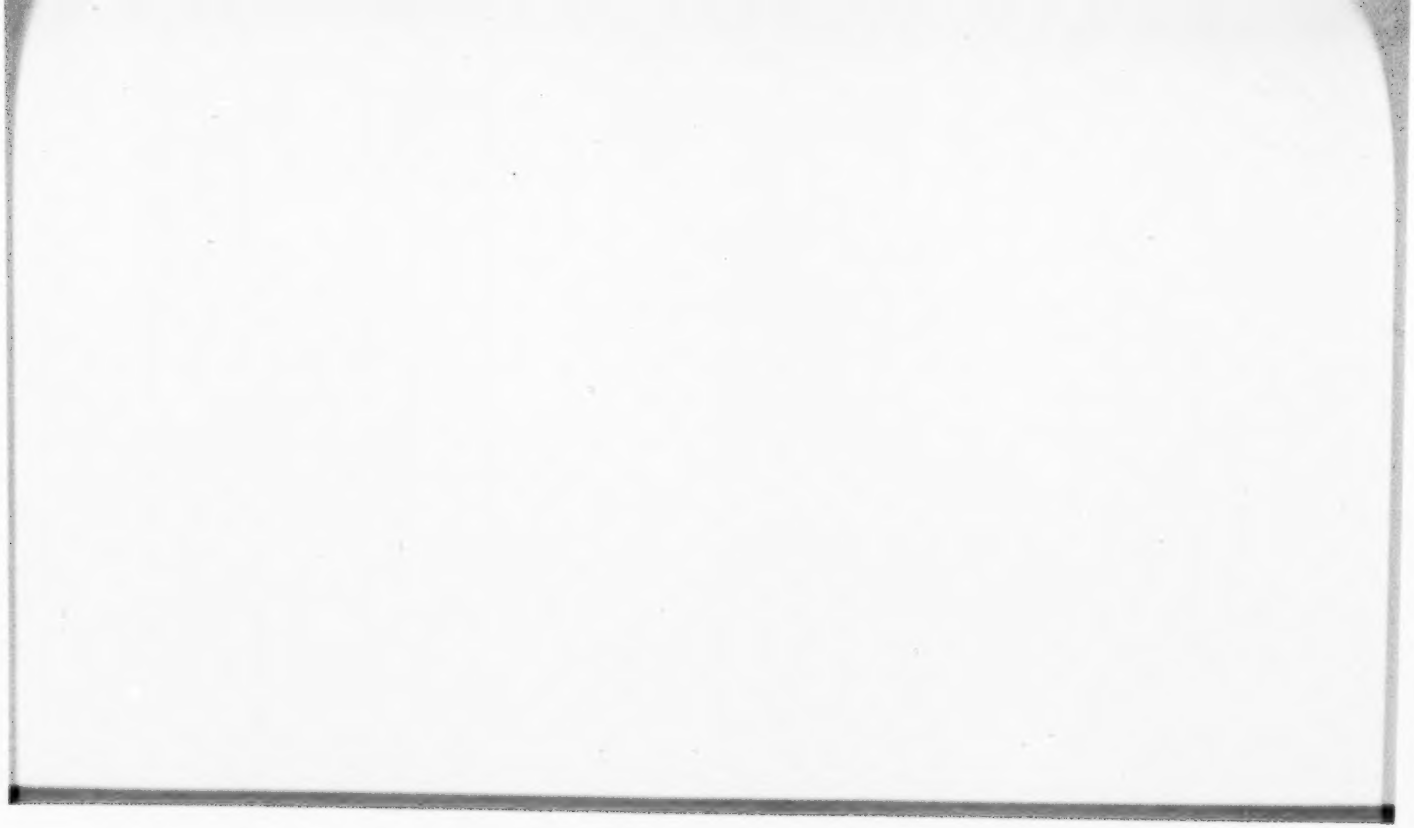

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No.

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ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

PETITION FOR WRIT OF CERTIORARI.

To the Honorable Justices of the Supreme Court of the United States.

Pursuant to Rule 38 of this Court, your petitioner, Grand Rapids Furniture Company, a corporation organized and existing under the laws of the State of Illinois, files this, its petition to review, by a writ of certiorari, the judgment of the United States Circuit Court of Appeals for the Seventh Circuit in the case of Grand

Rapids Furniture Company, a corporation, *et al.*, plaintiffs-appellees, *vs.* Grand Rapids Furniture Company, an Illinois corporation, defendant-appellant, in which your petitioner was the principal defendant, and in which the judgment sought to be reviewed herein was entered against your petitioner. A transcript of the record including proceedings in said Circuit Court of Appeals, duly certified by the Clerk of said Court, is herewith presented.

THE STATUTORY PROVISIONS SUSTAINING THE JURISDICTION OF THIS COURT.

This Court has jurisdiction to review said judgment by writ of certiorari directed to said Circuit Court of Appeals, by virtue of Title 28 United States Code Annotated, Section 347a, which provides as follows:

> "In any civil case in a Circuit Court of Appeals it shall be competent for the Supreme Court of the United States, upon petition of any party thereto, to require by certiorari that the cause be certified to the Supreme Court for determination by it."

and also under Title 28 United States Code Annotated, Section 350, which provides as follows:

> "No writ of certiorari intended to bring any judgment or decree before the Supreme Court for review shall be allowed unless application therefor be made within three months after the entry of such judgment or decree."

The judgment of the Circuit Court of Appeals herein sought to be reviewed, was entered on October 8, 1943, at Chicago, in said State of Illinois.

STATEMENT OF THE MATTER INVOLVED.

This suit was commenced in the District Court of the United States for the Northern District of Illinois by a complaint for a temporary and permanent injunction seeking to restrain the defendant, among other things:

a. from selling, or offering for sale, as the products of the factories in Grand Rapids, or as Grand Rapids furniture, any furniture not in fact a product of that city,

b. from using the words "Grand Rapids" as the designation, name or style of a retail store in which less than a substantial representative stock of goods, which are the product of the furniture factories in the city of Grand Rapids, Michigan, are offered for sale,

c. from operating as a corporation under the name of "Grand Rapids Furniture Co." or any similar or like name, or any name using the words "Grand Rapids", and from using or permitting to be used in any manner any such name or corporate entity already existing.

After a hearing in said District Court, an interlocutory decree was entered granting a temporary injunction substantially as prayed for, in which your petitioner was enjoined, prohibited and restrained, among other things:

a. from selling, or offering for sale, as the product of the factories in Grand Rapids or as Grand Rapids furniture any furniture not in fact a product of that city,

b. from using the name "Grand Rapids" as the designation, name or style of a retail store in which less than a substantial representative stock of goods, which are the product of the furniture factories in the city of Grand Rapids, Michigan, are offered for sale,

c. and from operating as a corporation under the name of "Grand Rapids Furniture Co." or any similar or like name, and from using in any manner whatever any such name or corporate entity already existing.

Your petitioner appealed from said interlocutory decree, and a judgment was entered in the Circuit Court of Appeals affirming said decree for a temporary injunction. The opinion of the Court is reported in *Grand Rapids Furniture Co. et al.* v. *Grand Rapids Furniture Co.*, 127 Fed. (2nd) 245.

Thereafter a trial was had in the District Court, and a final decree was entered granting a permanent injunction, which ordered, adjudged and decreed that the temporary injunction previously issued be made permanent and perpetual, and enjoined, prohibited, and restrained the defendant, among other things:

a. from selling, or offering for sale as the product of factories in Grand Rapids or as Grand Rapids furniture any furniture not in fact a product of that city,

b. from operating as a corporation under the name "Grand Rapids Furniture Company," or any similar or like name or any name using the words "Grand Rapids", and

c. from using in any manner whatever such name in connection with any corporate entity already existing.

Your petitioner appealed from said final decree granting said permanent injunction, and said final decree was affirmed by the Circuit Court of Appeals on October 8, 1943, which is the judgment herein sought to be reviewed.

QUESTIONS PRESENTED.

(a) Your petitioner questions the jurisdiction of the District Court of the United States to entertain this suit, for the reason that the plaintiffs failed to prove that the jurisdictional amount of $3,000, exclusive of interest and costs, was involved.

(b) In affirming the final decree of the District Court, the Circuit Court of Appeals decided a question of local law in conflict with local decisions.

(c) In affirming the final decree of the District Court, the Circuit Court of Appeals rendered a decision in conflict with the decisions of other Circuit Courts of Appeals on the same or similar subjects.

By its affirmance of the final decree of the District Court, the Circuit Court of Appeals held that there need be no "palming-off" or passing off by the defendant of its goods and merchandise as the goods and merchandise of the plaintiff, but the local law of Illinois, as shown by the decisions of the Courts of Illinois, as well as the general law of the United States as shown by decisions of the federal courts, is that injunctive relief will only be granted to restrain and prohibit "palming-off" or passing off by the defendant of its goods or services as those of the plaintiff.

The Illinois decisions holding that unfair competition consists of "palming-off" or passing off the goods of the defendant as the goods of the plaintiff are as follows:

Allegretti Chocolate Cream Co. v. *Rubel*, 86 Ill. App. 607.

Imperial Manufacturing Co. v. *Schwartz*, 105 Ill. App. 325.

Chicago Directory Co. v. *Herringshaw*, 187 Ill. App. 489.

Yellow Cab Co. v. *Ensler*, 214 Ill. App. 607, cer. den. by Supreme Court of Illinois.

Ambassador Hotel Corp. v. *Hotel Sherman*, 226 Ill. App. 247, cer. den. by Supreme Court of Illinois.

Stevens-Davis Co. v. *Mather*, 230 Ill. App. 45.

Lady Esther, Ltd. v. *Lady Esther Corset Shoppe Inc.*, 317 Ill. App. 451.

Elgin Butter Co. v. *Elgin Creamery Co.*, 155 Ill. 127.

Allegretti v. *Allegretti Chocolate Cream Co.*, 177 Ill. 129.

De Long Hook & Eye Co. v. *Hump Hairpin Mfg. Co.*, 297 Ill. 359.

Nestor Johnson Mfg. Co. v. *Alfred Johnson Skate Co.*, 313 Ill. 106.

In affirming the final decree of the District Court, the Circuit Court of Appeals held that the words "Grand Rapids" were a trade name, and have a secondary meaning, so that they designate and identify the furniture manufactured and sold by the plaintiffs, and that such trade name became known throughout the United States as having been adopted by, and belonging to, the plaintiffs, and as the designation of their products; but there is no evidence in the record that the words "Grand Rapids" have been adopted by the plaintiffs as a trade name, or that they are attached to the products of the plaintiffs as a trade-mark, or that they have any secondary meaning.

In affirming the final decree of the District Court, the Circuit Court of Appeals enjoined the defendant from using its corporate name or any similar or like name

or any name using the words "Grand Rapids" and from using "any such * * * corporate entity already existing." Such a broad prohibition is far in excess of the rule established by the decisions of the Courts of Illinois and is not sanctioned by any decision or rule of Illinois.

The Illinois cases on the subject are the following:

Allegretti Chocolate Cream Co. v. *Rubel,* 86 Ill. App. 604.

Imperial Manufacturing Co. v. *Schwartz,* 105 Ill. App. 525.

Chicago Directory Co. v. *Herringshaw,* 187 Ill. App. 489.

Warshawsky & Co. v. *A. Warshawsky & Co.,* 257 Ill. App. 571.

Hazelton Boiler Co. v. *Hazelton Tripod Boiler Co.,* 142 Ill. 494.

Elgin Butter Co. v. *Elgin Creamery Co.,* 155 Ill. 127.

Allegretti v. *Allegretti Chocolate Cream Co.,* 177 Ill. 129.

De Long Hook & Eye Co. v. *Hump Hairpin Mfg. Co.,* 297 Ill. 359.

Nestor Johnson Mfg. Co. v. *Alfred Johnson Skate Co.,* 313 Ill. 106.

Moreover, such a broad prohibition is greatly in excess of the rule established by decisions of the Courts of the United States.

The Federal Court cases on the subject are the following:

Elgin Watch Co. v. *Illinois Watch Co.,* 179 U. S. 665.

Howe Scale Co. v. *Wyckoff,* 198 U. S. 118.

Herring-Hall-Marvin Safe Co. v. *Hall Safe Co.,* 208 U. S. 554, 560.

Keystone Oil & Mfg. Co. v. *Buzby,* 219 Fed. 473.
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Mutual Export Corp. v. *Mutual Export Corp. of America,* 241 Fed. 137.
Lawyers Title Ins. Co. v. *Lawyers Title Ins. Corp.,* 109 Fed. (2nd) 35.
Maytag Co. v. *Meadows Mfg. Co.,* 35 Fed. (2nd) 403; cer. den. 281 U. S. 737.
Armstrong Paint & Varnish Works v. *Nu-Enamel Corp.,* 305 U. S. 315.
Addressograph Corp. v. *American Expansion Bolt Co.,* 124 Fed. (2nd) 70; cer. den. 316 U. S. 692.
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American Washboard Co. v. *Saginaw Mfg. Co.,* 183 Fed. 281.
Borden Ice Cream Co. v. *Borden Condensed Milk Co.,* 201 Fed. 510.
Chickering v. *Chickering & Sons,* 215 Fed. 490.
Rouss v. *Winchester Co.,* 300 Fed. 706.
Elgin National Watch Co. v. *Loveland,* 132 Fed. 41.

REASONS RELIED ON FOR WRIT.

The District Court did not have jurisdiction of the subject matter of this suit, because the jurisdictional amount of $3,000, exclusive of interest and costs, was not involved, was not in controversy, and although challenged by the answer of the defendant, petitioner herein, was not proved.

The Circuit Court of Appeals did not follow and apply the local law as declared by the Courts of Illinois, but

held that there need be no "palming-off" in unfair competition cases, contrary to the doctrine of unfair competition as defined by the Courts of Illinois.

The Circuit Court of Appeals did not follow and apply the local law of Illinois as declared by the Courts of Illinois in granting relief, but enjoined the defendant, petitioner herein, from using its corporate name and from exercising its corporate entity, whereas the law of Illinois, at the most, only requires the defendant, in unfair competition cases, to take *reasonable* precautions not to "palm-off" its goods as the goods of the plaintiff.

The Circuit Court of Appeals decided the foregoing questions contrary to the decisions of other United States Circuit Courts of Appeals, and also contrary to its own decisions, in similar cases.

We refer to our brief filed in support of this petition for full elaboration of the foregoing points.

Wherefore, we respectfully pray that this Court will enter an order granting the writ of certiorari to review the above entitled cause and the judgment of the Circuit Court of Appeals entered therein.

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Attorneys for Petitioner.

BRIEF OF PETITIONER IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

STATEMENT OF CASE.

This is a petition to review by certiorari the judgment of the Circuit Court of Appeals for the Seventh Circuit, affirming a final decree entered by the District Court for the Northern District of Illinois, Eastern Division.

The plaintiffs were the Grand Rapids Furniture Company, the Grand Rapids Chair Co., the Grand Rapids Upholstery Co., and twenty-two other corporations and two partnerships, who filed their complaint for injunction against the Grand Rapids Furniture Co., an Illinois corporation, and six individuals. It alleged sufficient facts to show diversity of citizenship, and alleged, in general terms, "the amount involved herein exceeds the sum of three thousand dollars ($3,000.00) exclusive of interest and costs", and alleged that the plaintiffs will sustain irreparable injury unless the relief prayed for is granted, exceeding the sum of three thousand dollars ($3,000.00), exclusive of interest and costs.

The complaint further alleged that each of the corporations except one, and each of the partnerships has been for many years, and is now, engaged, in the city of Grand Rapids, Michigan, in the business of manufacturing and selling furniture, in which the plaintiffs have invested several millions of dollars in plants and advertising. The complaint further alleged that the business of manufacturing and selling furniture has for many years been the principal industry of the city of Grand Rapids, which is a large and important center of

the furniture industry, which fact is generally known to the public, and that furniture manufactured in the city of Grand Rapids has for many years enjoyed widespread popularity, good will and demand throughout the United States, and that the words "Grand Rapids Furniture" have acquired in the trade a special significance, and that furniture known to be of Grand Rapids production is held by a large part of the purchasing public to be superior in design, workmanship and value to the grades of furniture produced elsewhere, and there are among the purchasing public many who prefer Grand Rapids furniture to furniture made elsewhere, and "Grand Rapids furniture" is, and the public understands it to be, furniture manufactured in the city of Grand Rapids.

The complaint further alleged that the method of marketing the goods of the plaintiffs is through established dealers in the retail furniture trade, and by refusing to sell direct to consumers, and that the plaintiffs have secured the confidence and good will of dealers throughout the United States, through the practice of honest merchandising, followed for many years by the plaintiffs, and they have acquired the good will of the furniture purchasing public and furniture dealers for Grand Rapids furniture in the value of many millions of dollars.

The complaint further alleged that the defendant, Grand Rapids Furniture Company, has never had a factory in Grand Rapids, Michigan, but was organized by the individual defendants for the purpose of deceiving the public, and leading prospective purchasers to believe that the defendant had some connection with a Grand Rapids furniture factory, and sold Grand Rapids furniture, and that the defendant has been engaged in selling

at retail, cheap, inferior furniture, not manufactured in Grand Rapids.

The complaint further alleged that the plaintiffs had suffered damages in the amount of $25,000, and would suffer further damage to the extent of $25,000, unless the defendant be restrained. After alleging no adequate remedy at law, the complaint prayed a preliminary injunction against the defendant from selling or offering for sale as the product of the factories in Grand Rapids, or as Grand Rapids furniture, any furniture not in fact the product of that city, and from affixing to such furniture any label containing the words "Grand Rapids", and from using the words "Grand Rapids" in such a way as to lead the public to believe the furniture to be that which is the product of the factories in the city of Grand Rapids, and from using the words "Grand Rapids" in advertisements offering for sale or marketing furniture, not in fact the product of the factories of the city of Grand Rapids, Michigan, and from selling goods manufactured elsewhere than in Grand Rapids, Michigan, as and for goods manufactured in that city, and from using the name "Grand Rapids" as the designation or style of a retail store in which less than a representative stock of goods, which are the product of the furniture factories in the city of Grand Rapids, Michigan, is offered for sale, and from operating as a corporation under the name of "'Grand Rapids Furniture Co." or any name using the words "Grand Rapids", and from using any such corporate entity already existing.

A preliminary injunction was issued restraining the defendant in the terms as prayed for in the complaint. The defendant appealed from that interlocutory decree, and after the affirmance of that decree by the Circuit

Court of Appeals, the defendant filed its answer on the merits, in which it expressly denied that the amount involved exceeds the sum of $3,000, exclusive of interest and costs, and expressly denied that the words "Grand Rapids" have acquired in the trade any special significance.

The answer of the defendant also denied any fraudulent purpose in its organization, denied that the plaintiffs or any one or more of them incurred damages in the sum of $25,000, or in any other amount, and denied that the plaintiffs or any one or more of them will suffer any damages in the future.

The answer further denied that the Grand Rapids Furniture Company of Grand Rapids, Michigan, has been damaged or will be damaged in any amount by the use by the defendant of its corporate name, and denied any competition between the plaintiff and the defendant, and denied that the defendant had ever represented that it was a branch or subsidiary of or affiliated with the plaintiff, Grand Rapids Furniture Company.

The answer further denied that the defendant ever claimed or represented to any person that the furniture sold by it was the goods of the plaintiffs or any one or more of them, except such furniture sold by the defendant as was actually produced and manufactured by some one or more of the plaintiffs, and sold to the defendant for resale.

The answer further denied that the plaintiffs or any one of them have adopted the words "Grand Rapids", or the words "Grand Rapids furniture", as the trade name of furniture manufactured, produced and sold by the plaintiffs, or any one or more of them, and denied

that the defendant intended to damage the plaintiffs, or any of them, or that it damaged the plaintiffs or any of them by the use of the words "Grand Rapids" in its corporate name.

The answer further alleged that the words "Grand Rapids" are open to use by any person, providing that such person does not by the use of said words pass off or attempt to pass off his goods as the goods of any other person.

A trial was had in which evidence was taken in open court. A witness for the plaintiffs testified that he had determined the amount of money which the various plaintiffs have invested in plant and equipment, for manufacturing furniture, to be eight to ten million dollars (Tr. 21); that the investment in national advertising for the plaintiffs over a period of years would be in the neighborhood of two million dollars, and that the sales of the plaintiffs in the Chicago district average approximately $800,000 a year (Tr. 21). He did not know how many furniture manufacturers there are in the city of Grand Rapids, and he did not know how many members the Furniture Manufacturers Association has. He said that the Association does not include all the manufacturers in the city of Grand Rapids (Tr. 23).

The second witness for the plaintiffs testified that his company, the Grand Rapids Furniture Company of Grand Rapids, Michigan, has approximately $250,000 invested in plant and equipment in Grand Rapids, Michigan (Tr. 26); that his company does no national advertising direct to the consumer, that his company does not sell direct to the consumer, and that his company has not spent any money in national or consumer advertising,

and that the annual sales volume of his company in the Chicago district is around $40,000 or $50,000 (Tr. 26-27).

Six other witnesses testified for the plaintiffs as to a number of dealings which they had with the defendant company. They all testified to some more or less vague misrepresentations made by the salesmen of the defendant in the sale of furniture, or breaches of warranty, but all admitted that they kept the furniture, which was delivered to them, and paid for it in full, all, but one, without pressure of any legal proceedings.

At the conclusion of the hearing, the Court made certain findings of fact as follows: That the value of the matter in dispute exceeds the sum of $3,000, exclusive of interest and costs; that the plaintiff, Grand Rapids Furniture Company, was organized under the laws of the State of Michigan, and has its principal office and place of business in the city of Grand Rapids, Michigan where it has been engaged in the business of manufacturing and selling household furniture since 1907, that it has an investment of one-quarter of a million dollars, and that the volume of its sales in the Chicago district has been from $40,000 to $50,000 per year to 15 or 20 dealers, and has never had any dealings with the defendant, and never sold any merchandise to it or manufactured any goods for it; that all of the other plaintiffs have invested in excess of eight million dollars in plant and equipment, and that the investments of the plaintiffs in national advertising and the development of good will for Grand Rapids furniture is in excess of $1,750,000; that the city of Grand Rapids is a large and important center of the furniture industry, which fact is generally known to the public, and that furniture manufactured in Grand Rapids has, for many years, enjoyed a widespread popularity,

good will, and demand, and that the words "Grand Rapids" have acquired a special significance; that furniture made in Grand Rapids is held by the purchasing public to be superior in design, workmanship and value and that many purchasers prefer Grand Rapids furniture to furniture made elsewhere; and that "Grand Rapids furniture" is understood by the public to be furniture manufactured in the city of Grand Rapids, Michigan; and that the plaintiffs have acquired the good will of furniture dealers for Grand Rapids furniture of the value of several million dollars; that the defendant has engaged in certain practices (enumerating substantially the practices set forth in the complaint) well knowing that the name "Grand Rapids" was a common law trade name of great value to the plaintiffs, and has irreparably injured the good will of the plaintiffs; that the plaintiffs will be damaged in an amount greatly in excess of $3,000, exclusive of interest and costs, if the products of the Grand Rapids furniture factories are confused with the products of other factories, and if the defendant continues in the use of the words "Grand Rapids" in connection with the sale of furniture; and that the plaintiff, Grand Rapids Furniture Company, will be damaged in an amount greatly in excess of $3,000, exclusive of interest and costs, by the use by the defendant of its name, Grand Rapids Furniture Co.; and that the reputation, popularity, and good will of Grand Rapids furniture, manufactured and sold by the plaintiffs, will be irreparably injured.

The Court entered three conclusions of law as follows: That it has jurisdiction over the defendant, Grand Rapids Furniture Co.; that the complaint and the facts found by the Court present a case cognizable by a District Court of the United States sitting in equity, and

that the Court has jurisdiction of the subject matter; and that the plaintiffs are entitled to the relief prayed for, and that the temporary injunction should be made permanent.

Thereupon a final decree was entered, that the temporary injunction be made permanent and perpetual, enjoining the defendant, among other things, from operating as a corporation under the name "Grand Rapids Furniture Company" or any similar name, "or any name using the words 'Grand Rapids' ", and from using such name in connection with any corporate entity already existing.

An appeal was taken by the defendant from such final decree. The Circuit Court of Appeals affirmed without opinion, and this petition seeks certiorari to review that judgment of the Circuit Court of Appeals.

ASSIGNMENTS OF ERROR.

The Court erred in affirming the decree of the District Court which held that the value of the matter in dispute exceeds the sum of $3,000, exclusive of interest and costs, whereas the Court should have reversed the decree of the District Court with directions to dismiss the suit for want of jurisdiction, because the plaintiffs failed to prove the statutory jurisdictional amount.

The Court erred in affirming the decree of the District Court which held that the words "Grand Rapids" have acquired a special significance in the trade, and that the plaintiffs manufactured, produced and sold furniture which was known and designated as "Grand Rapids furniture", and that the name "Grand Rapids" was a

common law trade name belonging to the plaintiffs, whereas the Court should have reversed the decree of the District Court on the ground that the words "Grand Rapids" are a geographical or territorial name, and cannot be exclusively adopted by the plaintiffs as a trade name to designate their furniture, that in any event, the words "Grand Rapids" have not acquired a special significance in the trade, and have not been adopted by the plaintiffs, or any of them as a trade name to designate the furniture manufactured by them.

The Court erred in affirming the decree of the District Court, which enjoined, restrained and prohibited the defendant from using the words "Grand Rapids" in its corporate name, from operating as a corporation under the name "Grand Rapids Furniture Company" or any similar name, "or any name using the words 'Grand Rapids' ", from using such name in connection with any corporate entity already existing, and from using any such corporate entity already existing, whereas the Court should have held that the words "Grand Rapids" had never been adopted by the plaintiffs or any one or more of them as the trade name of their goods and products; and that the words "Grand Rapids" were merely a regional or territorial term and could not be exclusively appropriated by the plaintiffs as a trade name; and that the words "Grand Rapids" have never acquired a secondary meaning to designate the goods and products of the plaintiffs or any one or more of them.

The Court should have held that the injunction restraining the defendant from the use of the words "Grand Rapids" in its corporate name, and from exercising its corporate entity was contrary to the rule of law established by the decisions of the Courts of Illinois, and exceeded the bounds of equity jurisdiction.

The Court should have held that the final decree of the District Court should be reversed on the ground that the defendant had not been guilty of "palming-off" or passing off its goods and merchandise as those of the plaintiffs or any one or more of them.

PROPOSITIONS OF LAW.

A.

The District Court of the United States Did Not Have Jurisdiction of This Case.

The statutory jurisdictional amount was not involved and was not proved.

28 U. S. C. A. Sec. 41.

(a) This is not a class suit.

Gibbs v. *Buck*, 307 U. S. 66.

Harvey v. *American Coal Company*, 50 Fed. (2nd) 832.

(b) The aggregation of claims of numerous plaintiffs is not sufficient to confer jurisdiction under the statute.

Clark v. *Paul Gray Inc.*, 306 U. S. 583.

Pinel v. *Pinel*, 240 U. S. 594.

(c) The magnitude of the operations of the plaintiffs is not sufficient to confer jurisdiction.

K. V. O. S. v. *Associated Press*, 299 U. S. 269.

McNutt v. *General Motors Acceptance Corp.*, 298 U. S. 178.

McNutt v. *McHenry Co.*, 298 U. S. 190.

(d) A general allegation that the amount in controversy exceeds the jurisdictional amount is not sufficient.

Hague v. *C. I. O.*, 307 U. S. 496.

Clark v. *Paul Gray Inc.*, 306 U. S. 583.

Hilliker v. *Grand Lodge*, 112 Fed. (2nd) 382.

(e) A general finding of fact that the jurisdictional amount is involved is not sufficient to give the Court general jurisdiction of the case.

McNutt v. *McHenry Co.*, 298 U. S. 190.

B.

Injunctive Relief in So-called Unfair Competition Or Unfair Trade Practices Cases Is Only Granted to Prevent Anticipated Damage to the Plaintiff By the "Palming-off" Or Passing Off By the Defendant of Its Goods and Merchandise Or Services As Those of the Plaintiff.

(a) The law of Illinois is declared by the following cases:

DeLong Hook & Eye Co. v. *Hump Hairpin Mfg. Co.*, 297 Ill. 359.

Stevens-Davis v. *Mather*, 230 Ill. App. 45.

Ambassador Hotel Corp. v. *Hotel Sherman*, 226 Ill. App. 247.

Yellow Cab Co. v. *Ensler*, 214 Ill. App. 607.

Elgin Butter Co. v. *Elgin Creamery Co.*, 155 Ill. 157.

Hazelton Boiler Co. v. *Hazelton Tripod Boiler Co.*, 142 Ill. 494.

Lady Esther, Ltd. v. *Lady Esther Corset Shoppe*, 317 Ill. App. 451.

Allegretti v. *Allegretti Chocolate Cream Co.*, 177 Ill. 129.

Nestor Johnson Mfg. Co. v. *Alfred Johnson* Skate Co., 313 Ill. 106.

(b) The Federal Court cases are the following:

Castner v. *Coffman*, 178 U. S. 168.

Howe Scale Co. v. *Wyckoff*, 198 U. S. 118.

Queen Mfg. Co. v. *Ginsberg*, 25 Fed. (2nd) 284.

Rouss v. *Winchester Co.*, 300 Fed. 706.

Borden Ice Cream Co. v. *Borden Condensed Milk Co.*, 201 Fed. 510.

American Washboard Co. v. *Saginaw Mfg. Co.*, 103 Fed. 281.

Lawyers Title Ins. Co. v. *Lawyers Title Ins. Corp.*, 109 Fed. (2nd) 35.

Harvey v. *American Coal Co.*, 50 Fed. (2nd) 832.

Elgin Watch Co. v. *Illinois Watch Co.*, 179 U. S. 665.

Herring-Hall-Marvin Safe Co. v. *Hall Safe Co.*, 208 U. S. 554.

Keystone Oil & Mfg. Co. v. *Buzby*, 219 Fed. 473.

Knabe Bros Co. v. *American Piano Co.*, 229 Fed. 23.

Mutual Export Corp. v. *Mutual Export Corp. of America*, 241 Fed. 137.

Maytag Co. v. *Meadows Mfg. Co.*, 35 Fed. (2nd) 403; *cer. den.* 281 U. S. 737.

Armstrong Paint & Varnish Works v. *Nu-*Enamel Corp., 305 U. S. 315.

Addressograph Corp. v. *American Expansion Bolt Co.*, 124 Fed. (2nd) 70; *cer. den.* 316 U. S. 692.

Time, Inc. v. *Viobin Corp.*, 128 Fed. (2nd) 860.

Chickering v. *Chickering & Sons*, 215 Fed. 490.

Elgin National Watch Co. v. *Loveland*, 132 Fed. 41.

C.

An Injunction Restraining and Prohibiting the Defendant From Using the Words "Grand Rapids" in Its Corporate Name, and From Using Its Corporate Entity Was Not in Accordance With the Law of Illinois, and Was an Excessive Exercise of the Power of Equity.

Imperial Mfg. Co. v. *Schwartz*, 105 Ill. App. 525.

Chicago Directory Co. v. *Herringshaw*, 187 Ill. App. 489.

Warshawsky & Co. v. *A: Warshawsky & Co.*, 257 Ill. App. 575.

Hazelton Boiler Co. v. *Hazelton Tripod Boiler Co.*, 142 Ill. 494.

Allegretti v. *Allegretti Chocolate Cream Co.*, 177 Ill. 129.

Nestor Johnson Mfg. Co. v. *Alfred Johnson Skate Co.*, 313 Ill. 106.

DeLong Hook & Eye Co. v. *Hump Hairpin Mfg. Co.*, 297 Ill. 359.

Howe Scale Co. v. *Wyckoff*, 198 U. S. 118.

Elgin National Watch Co. v. *Loveland*, 132 Fed. 41.

Elgin Watch Co. v. *Illinois Watch Co.*, 179 U. S. 665.

Borden Ice Cream Co. v. *Borden Condensed Milk Co.*, 201 Fed. 510.

Chickering v. *Chickering & Sons*, 215 Fed. 490.

Keystone Oil & Mfg. Co. v. *Buzby*, 219 Fed. 493.

Lawyers Title Ins. Co. v. *Lawyers Title Ins. Corp.*, 109 Fed. (2nd) 35.

ARGUMENT.

A.

The District Court of the United States Did Not Have Jurisdiction of This Case. The Statutory Jurisdictional Amount Was Not Involved and Was Not Proved.

In its opinion, affirming the interlocutory decree for a temporary injunction in this case, the Circuit Court of Appeals said, "We are convinced that the instant case is a class suit," and cited *Gibbs* v. *Buck*, 307 U. S. 66, and counsel for plaintiffs so contend. But we respectfully submit that the instant case is not a class suit, and is to be distinguished from *Gibbs* v. *Buck*, 307 U. S. 66; *Harvey* v. *American Coal Co.*, 50 Fed. (2nd) 832; *Thomson* v. *Gaskill*, 315 U. S. 442.

True, the plaintiffs in the instant case were members of the Furniture Manufacturers' Association, but the Circuit Court of Appeals said that it is not necessary to decide whether the Association is an interested party, just as this Court said that it was not necessary to decide whether the Society in the case of *Gibbs* v. *Buck*, *supra*, was an interested party.

As a matter of fact, the Circuit Court of Appeals itself distinguished the instant case from *Gibbs* v. *Buck*, *supra*, by saying, "In the instant case we have a common cause of action". The supposed common cause of action was the alleged infringement by the defendant upon the exclusive right to the use of the words "Grand Rapids" as a trade name, supposed to be owned in

common by the plaintiffs, which gave them the supposed common claim. It is our contention that the complaint does not allege, and neither does the evidence show, that the plaintiffs jointly owned the trade name "Grand Rapids", or that they had a joint claim for damages for its alleged infringement. On the contrary, as we will show more fully below, the words "Grand Rapids" are not a trade name in any sense of the word, and such trade name was not jointly owned by the plaintiffs. In fact, the Circuit Court of Appeals itself recognized that the plaintiffs in the instant case did not have a joint claim, or an undivided interest in the trade name "Grand Rapids", because it went on to say that if any one plaintiff should, in a single suit, recover on the demand here made, that judgment would, of itself, furnish all the relief which the other plaintiffs are here demanding, except as to the amount of damages. We submit that if each plaintiff is limited in its recovery to the damages sustained by it, there can be no joint interest nor common ownership. In fact, the Circuit Court of Appeals recognized this rule by citing Rule 23 of the Federal Rules of Civil Procedure, which provides that one or more persons may sue on behalf of themselves and on behalf of all others similarly situated "when the character of the right sought to be enforced for the class is several, and there is a common question of law or fact affecting the several rights and a common relief is sought." We concede that there may have been common questions of law or fact, and that a common relief was sought, but we insist that the complaint and the evidence both show that the rights of the several plaintiffs were several and not joint.

Where the rights sought to be enforced are several, the aggregation of numerous claims of plaintiffs is not

permitted in order to make up the necessary jurisdictional amount. In *Pinel* v. *Pinel*, 240 U. S. 594, there was an allegation that one of the plaintiffs owned an undivided one-eighth and the other plaintiff owned an undivided two-eighths, or that both plaintiffs owned an undivided three-eighths, which are of the value of $4,500, and this Court said on page 596:

> "The settled rule is that when two or more plaintiffs, having separate and distinct demands, unite in a single suit, it is essential that the demand of each be of the requisite jurisdictional amount."

And on page 597, this Court went on to say:

> "The above allegation is not a legal equivalent of saying that the interest of either (of the plaintiffs) is of the value of more than $3,000 * * * It does not satisfactorily appear that the interest claimed by either plaintiff is sufficient in value to confer jurisdiction, and hence the bill was properly dismissed."

It was held by this Court in *Hague* v. *C. I. O.*, 307 U. S. 496, that a mere averment of the amount in controversy does not confer jurisdiction, and this Court again said, on page 508, that the plaintiffs may not aggregate their interests in order to attain the amount necessary to give the District Court jurisdiction of the case.

In *Clark* v. *Paul Gray, Inc.*, 306 U. S. 583, this Court said, on page 588, that a general allegation that the amount involved exceeds $3,000 is not sufficient to satisfy the jurisdictional requirements where there are numerous plaintiffs having no joint or common interest or title in the subject matter, and this Court went on to say:

> "As the bill shows on its face, each plaintiff maintains its own separate independent business * * * (page 589). It is a familiar rule that when several

> plaintiffs assert separate and distinct demands in a single suit the amount involved in each separate controversy must be of the requisite amount to be within the jurisdiction of the District Court, and those amounts cannot be added together to satisfy the jurisdictional requirement. * * * The first allegation gives no indication that the amount in controversy with respect to the claim of any single plaintiff exceeds the jurisdictional amount, and is insufficient to show that the District Court had jurisdiction of the cause."

The language of this Court last above quoted seems to us particularly applicable to the instant case, where each of the plaintiffs maintains its own separate independent business, and asserts a separate and distinct demand, and have no joint ownership or common interest in the subject matter, even though they are joined as co-plaintiffs in the same case by reason of the fact that "there is a common question of law or fact affecting the several rights and a common relief is sought." A witness for the plaintiffs testified on cross-examination (Rec. 29) "the competition (between the plaintiffs) is very keen."

Counsel for plaintiffs relied on the case of *Harvey* v. *American Coal Company*, 50 Fed. (2nd) 832, but a careful examination of this case will show that it supports the position of the defendant rather than that of the plaintiffs. The Court of Appeals in that case pointed out that the plaintiffs in that case joined as co-plaintiffs in order to avoid a multiplicity of suits, and that such a single action may be brought by those *similarly* interested in the same subject matter, but the Court emphasized that the plaintiffs in that case were *severally* interested (page 834), and consequently, must have found

that they had all proved the allegation in the complaint, which alleged that *each* plaintiff had built up a large trade in Pocahontas Coal (page 834). The Court went on to point out that the right sought to be protected in that case was the trade name, a thing common to each plaintiff and indivisible among them and of as much value to one alone as to the group, and the exclusive use of that name. In the instant case, we again insist that there is no allegation in the complaint, and no proof, that there is any trade name in the legal sense of the word owned in common by the plaintiffs in the case at bar, or by any one of them severally.

In the case of *Harvey* v. *American Coal Company, supra*, the Court referred to the case of *Pillsbury Flour Mills* v. *Eagle*, 861 Fed. 608. In that case, numerous plaintiffs had agreed among themselves to place the trade name in question upon the sacks and barrels containing the flour manufactured at their respective mills, and the Court in that case said, on page 621, that the trade name meant that the flour in the container was made and put out by some one of the plaintiff's mills. No such situation as that exists in the instant case. It is admitted that none of the plaintiffs placed the words "Grand Rapids" on its furniture, and that the words "Grand Rapids" did not designate or identify the furniture manufactured and produced by the plaintiffs, or by any one or more of them. Even the plaintiff, Grand Rapids Furniture Company of Grand Rapids, Michigan, does not designate its product by any such name.

The instant case is much like the case of *Castner* v. *Coffman*, 178 U. S. 168. In that case a group of producers of coal entered into a combination under the name and style of Pocahontas Coal Company, organized

for the purpose of handling all the coal from the region of the members of the combination, and became known as shippers of celebrated Pocahontas Coal, and the product of all of the producers was termed Pocahontas Coal, just contrary to the facts in the instant case. The plaintiffs in that case charged that the defendants advertised their coal as Pocahontas coal, when in fact it was inferior and impure, with the intent to "palm-off" or pass off their product as the product of the plaintiff. This Court affirmed a decree of the Circuit Court of Appeals, dismissing the complaint for want of equity, Mr. Justice White writing the opinion, and said that the defendants could not be deprived of the use of the word Pocahontas as applied to the coal produced and shipped by them, even though coal sold by the plaintiffs had come to have an enhanced reputation as Pocahontas coal by virtue of careful grading and inspection by the plaintiffs.

The evidence in the instant case is that all of the plaintiffs have invested eight to ten million dollars in plant and equipment, and that all of the plaintiffs have average annual sales in the Chicago district of approximately $800,000 a year. No attempt was made by the plaintiffs, or any of them, to show how much any one of them had invested in plant and equipment or what the average annual sales of any one of them was. For all that appears, the eight to ten million dollars in plant and equipment may have been invested by the plaintiff, Grand Rapids Furniture Company and any one of the other 29 plaintiffs, and the average annual sales of $800,000 a year may have been made up by the sales of the plaintiff, Grand Rapids Furniture Company, and any one of the other 29 plaintiffs. But it is impossible to determine, from the complaint and the

evidence, which one of the plaintiffs had investments in plant and equipment of eight to ten million dollars, and which one of the plaintiffs made average annual sales of $800,000.

But in any event, the magnitude of the operations of the plaintiffs is not the test of whether the jurisdictional amount is in controversy under the statute. In *K. V. O. S.* v. *Associated Press*, 299 U. S. 269, this Court said at page 279:

> "As pointed out in the *McNutt* case, the factor of the magnitude of the respondent's operations and expenditures is irrelevant on the issue of the value of the right for which protection is sought."

And on page 277, this Court said:

> "We hold that the respondent had the burden of showing that the case was within the District Court's jurisdiction, and failed to carry it * * * The right sought to be protected was to conduct its business free of alleged unlawful interference."

So we contend in the instant case that the only right which the plaintiffs have, and for which they seek protection, is to conduct their business free from *alleged* unlawful interference. We will show below that the defendant was not guilty of any unlawful interference with the conduct of the business of the plaintiffs. Our only point here and now is that the plaintiffs did not show that the value of their right to conduct their business free from alleged unlawful interference had any value.

The general finding of fact that the jurisdictional amount is involved is not sufficient. *McNutt* v. *McHenry Co.*, 298 U. S. 190. In its argument, the plaintiff in

that case referred to the facts found by the District Court as to the net worth of its business, the amount of stock on hand, its sales, its percentage of sales on time, its expectation of sales in the future, and its present and future earnings, and this Court said on page 192:

> "The District Court made findings with respect to the character and extent of the plaintiff's business, but the record contains no findings or evidence showing the amount of the loss which would be caused (to the plaintiff).

The language last above quoted appears to be particularly appropriate to the facts in the instant case.

We conclude on this branch of the case that the District Court did not have jurisdiction of the subject matter of this suit, on the ground that the jurisdictional amount required by the statute was not proved to be in controversy, although the allegation in the complaint was properly challenged by the denial by the defendant in its answer, that there was nothing of value in controversy, and that the magnitude of the operations and expenditures of the plaintiffs is irrelevant on the issue of the value of the matter in controversy.

B.

In Illinois, Unfair Competition Is a Convenient Term for "Palming-off" Or Passing Off By the Defendant of Its Goods and Merchandise As the Goods and Merchandise of the Plaintiffs, and in Illinois Where There Is No "Palming-off", There Is No Unfair Competition.

An early case in Illinois was *Rubel* v. *Allegretti Chocolate Cream Co.*, 76 Ill. App. 581, in which the Appellate Court for the First District of Illinois said on page 589, that one firm is not at liberty to so use or assimilate the name of another firm or corporation as to pass themselves off for that other firm, or its goods for the goods of that other firm, and on page 590, that it is a fraud * * * that some other person should assume the same name, or the same name with a slight variation, in such a way as to induce persons to deal with him in the belief that they are dealing with a person who has gained a reputation for the name. This case was affirmed by the Supreme Court of Illinois in *Allegretti* v. *Allegretti Chocolate Cream Co.*, 177 Ill. 129, where the Court said, on page 132, that the defendants had a right to open their business under the name of Allegretti, provided they did so without any act to mislead dealers in the market or the public at large as to the identity of the firm.

The next case in Illinois was *Imperial Mfg. Co.* v. *Schwartz*, 105 Ill. App. 525, in which the Appellate Court of Illinois held that an injunction is proper which merely

restrains the defendants from using the name of the plaintiff to secure or appropriate to themselves the name, business or reputation of the plaintiff.

The next case in Illinois was *Chicago Directory Co.* v. *Herringshaw*, 187 Ill. App. 489, in which the Appellate Court of Illinois said on page 499, that unfair competition consists in passing off upon the public the goods or business of one person as or for the goods or business of another, and that the Courts should be careful to confine themselves to preventing imposition by some real resemblance in name or dress of goods.

The next case in Illinois was *Yellow Cab Co.* v. *Ensler*, 214 Ill. App. 607, certiorari denied by Supreme Court of Illinois, in which the Appellate Court for Illinois said on page 610, that the fundamental principle underlying the law of unfair competition is that one may not pass off his goods as the goods of another.

The next important case in Illinois was *Ambassador Hotel Corp.* v. *Hotel Sherman*, 226 Ill. App. 247, certiorari denied by Supreme Court of Illinois, in which the plaintiffs appealed from a decree sustaining a demurrer to their bill of complaint and dismissing the bill. The complaint alleged that the defendant intended to appropriate to itself the good will of the plaintiffs by adopting the name of Ambassador for a hotel erected and maintained by it, by misleading the public to believe that it was affiliated with the plaintiffs, alleged that patrons will be misled by the identity of names, and that the inferiority of service in the hotel, named and operated by the defendant, would result in loss of patronage to the plaintiffs, and would damage the credit of the plaintiffs. The Appellate Court for Illinois said, on

page 260, that a trade name is merely a protection for good will, and is not the subject of property except in connection with an existing business, and that the only theory on which the bill would lie is that known as unfair competition, in other words, that a name used by the defendant had previously come to be known as indicating or designating the goods or business of the plaintiffs, and that the defendant is passing off his own goods or business as those of the plaintiffs by using their trade name. The Court went on to say, on page 261, that the rights of the plaintiffs cannot be based on the weakness of the defendant's right, but must be established upon the affirmative fact that the plaintiffs had such a property right in the use of the name as made defendant's use of it an infringement. Here the Court went on to say, on page 267, that no facts were alleged in the complaint tending to show that the good will alleged to be possessed by the plaintiffs attached to the name of any one of them more than to that of any of the others. Finally, the Court said, on page 272, that the right of action in such cases is not based on possible fraud or imposition on the public, but is maintained solely for the protection of the property rights of the plaintiff.

The next important case in Illinois was *Stevens-Davis Co.* v. *Mather*, 230 Ill. App. 45, in which the Court said, on page 62, that the "palming-off" doctrine has been accepted by the Courts in England and America as the rule of law itself, and on page 65, that the Courts of Illinois announced the "palming-off" doctrine as the rule of law itself, in other words, the test by which it is determined whether a given state of facts consists of unfair competition as a matter of law, and that the "palming-off" doctrine has been followed by both state

and federal courts in an almost unbroken line of decisions as a rule of law, and that the Courts of Illinois deem it a rule of law. The Court went on to say, on page 66, that it was unable to discover any other general rule, that each case is not to be left to the discretion of the Court according to the Court's idea of justice and right, but that the "palming-off" doctrine is expressed in a positive, concrete form, and does not admit of broadening or widening by any proper judicial processes. The bill in that case was dismissed for want of equity because it did not sufficiently state a case of "palming-off".

The language in the case of *Stevens-Davis Co.* v. *Mather,* quoted in the preceding paragraph, is adopted almost verbatim by the Circuit Court of Appeals for the Seventh Circuit, in the case of *Time Inc.* v. *Viobin Corp.,* 128 Fed. (2nd) 860, which was a case of unfair competition, where the plaintiff alleged that the defendant had "palmed-off" its wares as those of the magazine publisher. But the Court held that although the mark of the defendant was similar to the one first adopted by the plaintiff, there was no unfair competition because there was no "palming-off". In this case the Court said that the "palming-off" doctrine in Illinois law holds that unfair competition consists in selling goods of one manufacturer for those of another, the doctrine is rigid, and each case is not to be left to the discretion of the Court to be decided according to the Court's idea of justice and right. It is to be feared, and with all due respect to the Court below, we submit, that the Court in the instant case allowed itself to be swayed by its "discretion" and decided the case according to the "Court's idea of justice and right", contrary to the established law of Illinois.

Likewise in the case of *Addressograph Corp.* v. *American Expansion Bolt Co.*, 124 Fed. (2nd) 70, the same Court said that the "palming-off" doctrine is the rule of law in Illinois.

Likewise, the "palming-off" doctrine has been approved by this Court as late as 1938 in the case of *Armstrong Paint & Varnish Works* v. *Nu-Enamel Corp.*, 305 U. S. 315, in which the petitioner had adopted a modified form of the trade name used by the respondent to designate its products. We repeat that the alleged trade name "Grand Rapids" was not a trade name in any sense of the word, had never been used or adopted by the plaintiffs, or any one or more of them to designate their products, and had never been infringed by the defendant, the petitioner herein.

The latest case in Illinois is *Lady Esther, Ltd.* v. *Lady Esther Corset Shoppe Inc.*, 317 Ill. App. 451, in which the Appellate Court of Illinois affirmed a decree for a permanent injunction to restrain the defendant from using the words "Lady Esther". It did so solely on the ground that the words "Lady Esther" had become a trade name, and a symbol, for cosmetics and toilet goods of high quality and excellence, and that the said trade name had become identified with the products of the plaintiff, and had for many years designated the products of the plaintiff, and that the trade name itself had become known as belonging to the plaintiff and was its property. Although the Court disclaimed basing its decision on the doctrine of "palming-off", nevertheless the language of the whole opinion is to the effect that "an injunction will not issue unless it is made to appear that the use of the name will result in injury to the plaintiff, and that the test should be whether the

public is likely to be deceived", in other words, whether the defendant is "palming-off" or attempting to "palm-off" its goods as those of the plaintiff.

In the case of *Elgin Butter Co.* v. *Elgin Creamery Co.*, 155 Ill. 127, the Supreme Court of Illinois said that the defendant cannot be enjoined from using the word "Elgin" in its corporate name in the absence of any artifice to mislead, in other words, in the absence of any "palming-off" of its goods as the goods of the plaintiff. The bill of complaint in that case alleged that the corporate name of the defendant tended to deceive and mislead the public by being mistaken for the plaintiff, and that consequently, there was danger that the public would falsely believe that the defendant is the same as the plaintiff, and that the defendant's products are the same as the plaintiff's products. But in spite of this allegation of confusion between the names of the two companies, the Supreme Court of Illinois held that a demurrer to the complaint was properly sustained, because of the failure of the complaint to allege any "palming-off".

Likewise in the case of *Hazelton Boiler Co.* v. *Hazelton Tripod Boiler Co.*, 142 Ill. 494, the Supreme Court of Illinois held, on page 509, that there was no evidence that the defendant, notwithstanding the similarity in names between its name and the name of the plaintiff, had ever attempted to "palm-off" its products as those of the plaintiff.

Again in the case of *DeLong Hook & Eye Co.* v. *Hump Hairpin Mfg. Co.*, 297 Ill. 359, the Supreme Court of Illinois said, on page 365, that the question in unfair competition is whether the marks and devices of the defendant are such as to deceive purchasers, with the

result that the goods of the defendant are "palmed-off" as the goods of the plaintiff, that when a merchant has used a word in such a way that it has become identified with his products, another will not be permitted to use the same word so as to lead purchasers to believe they are buying the goods of the former, that the Courts will protect the market and reputation of a dealer against acts which tend to deceive the public into believing that the goods of another are his goods and to pass them off as such, that the name of a place may have become associated with the products of a particular manufacturer in such a way that merely attaching the word to an article of the same kind would amount to a misrepresentation, and on page 366, that the defendant could be enjoined from using the word Hump to describe its goods only in case the word has come to have a secondary meaning, *viz.*, that all the goods bearing that name are of the plaintiff's manufacture, that the plaintiff has a right to have the defendant enjoined from using such a name only where it misleads the buyers into believing that the defendant's goods are of the plaintiff's manufacture, and on page 367, that the only basis on which relief could be properly granted to the plaintiff is that the word has acquired such a special meaning in the trade as to indicate that the plaintiff is the manufacturer of any article to which the word may be applied, and on page 369, that the burden of proof is on the plaintiff to show by substantial evidence that the use of the word will result in passing off the goods of the defendant as those of the plaintiff, and that the record does not show that the goods of the plaintiff were commonly known by the name Hump. No more does the record in the instant case show that the goods of the plaintiffs or of any one or more of them were commonly known by the name "Grand Rapids".

Finally, in the case of *Nestor Johnson Mfg. Co.* v. *Alfred Johnson Skate Co.*, 313 Ill. 106, the Supreme Court of Illinois, said at page 112, that the question is whether purchasers were induced to buy the defendant's products believing they were buying the products of the plaintiff. It found from the evidence that the word "Johnson" was the mark by which the goods of the plaintiff were identified. It is to be noted that in the instant case, the words "Grand Rapids" were never used by the plaintiffs, or any one or more of them, to identify their products.

C.

An Injunction Restraining and Prohibiting the Defendant From Using the Words "Grand Rapids" in Its Corporate Name, and From Exercising Its Corporate Entity Was Not in Accordance With the Law of Illinois, and Was an Excessive Exercise of the Power of Equity.

On this branch of the case, the law of Illinois is equally well settled as on the question of unfair competition.

As early as the case of *Imperial Mfg. Co.* v. *Schwartz*, 105 Ill. App. 525, the principle was laid down by the Appellate Court of Illinois that an injunction is sufficient which restrains the defendant from using its corporate name to secure or appropriate to itself the name, business, or reputation of the plaintiff, and that otherwise the corporation will not be restrained from using its corporate name.

In *Chicago Directory Co.* v. *Herringshaw*, 187 Ill. App. 489, the Appellate Court of Illinois declared that the Courts should be careful not to interfere with free and fair competition, and to confine themselves to preventing

imposition from some real resemblance in name. This case is persuasive on this point, inasmuch as the evidence in the instant case was to the effect that the plaintiffs, and especially the plaintiff Grand Rapids Furniture Company of Grand Rapids, Michigan, sold their products exclusively to retail dealers in the Chicago area, and did not sell direct to consumers, did no direct-to-customer advertising, and therefore were not in any danger of incurring any loss by the defendant "palming-off" its goods as the goods of the plaintiff. The defendant confined its activities entirely to selling inferior and low cost merchandise to consumers of very moderate means, and made no attempt to represent its goods as the goods of the plaintiffs, and made no attempt to represent itself as being the same as, or a branch of, the plaintiff, Grand Rapids Furniture Company of Grand Rapids, Michigan. The defendant, the Grand Rapids Furniture Company, is an Illinois corporation, incorporated and existing under the laws of the sovereign State of Illinois, and under the rule stated in *Howe Scale Co.* v. *Wyckoff*, 198 U. S. 118, mere confusion in names is no ground for enjoining the defendant from using its corporate name.

In the case of *Warshawsky & Co.* v. *A. Warshawsky & Co.*, 257 Ill. App. 575, the Appellate Court of Illinois for the First District held that an injunction against the use of its corporate name by the defendant is too drastic. In that case, the trial court had issued an injunction restraining the defendant from using the name A. Warshawsky & Co. Inc., and from using the word Warshawsky in its corporate name, and from representing that the defendant was connected with the plaintiff, and from using the word Warshawsky in any manner whatever unless there were added to it the words "not connected with the original Warshawsky & Co." The reviewing

court was of the opinion that the evidence showed that the defendant had held itself out as a branch of the plaintiff, and that some confusion had resulted, but on page 584, the court said they were of the opinion that the injunction against the use of the corporate name and against the use of the word Warshawsky was too drastic. On page 585, the court pointed out that the defendant corporation had a charter and franchise from the State of Illinois, authorizing it to do a lawful business, and that the injunction virtually prohibited the defendant from exercising its charter powers, and using its corporate name. The court further said that the injunction was too drastic in requiring the use of the word "original" in the phrase "not connected with the original Warshawsky & Co." The court said that the object of such suits is to prevent the "palming-off" of the defendant's goods as the goods of the plaintiff by deception of purchasers, and that the decree was sufficient without requiring the use of the word "original" in the above phrase. Consequently, the injunction was modified to enjoin the use of the word "Warshawsky" unless accompanied with the words "not connected with Warshawsky & Co." If there were any basis at all in the instant case for an injunction, such injunction should not have gone any farther than to prohibit the use of the words "Grand Rapids", unless accompanied with the phrase, "not connected with the Grand Rapids Furniture Company of Grand Rapids, Michigan."

It is true that in the case of *Lady Esther Ltd.* v. *Lady Esther Corset Shoppe Inc.*, 317 Ill. App. 451, the Court enjoined the use of the words "Lady Esther", but that was only because those words had become a well recognized trade name belonging to the plaintiff, and designated its wares, and designated a superior quality and

excellence of those wares. The Court did not restrain the defendant from the use of the words "Lady Esther" in its corporate name, but only from applying those words to its wares.

In the case of *Hazelton Boiler Co.* v. *Hazelton Tripod Boiler Co.*, 142 Ill. 494, it appeared that both corporations sold their wares directly to consumers, so that there was more or less direct competition, and yet the Supreme Court of Illinois refused to enjoin the defendant from the use of the word Hazelton in its corporate name, and even in applying it to its products, because there was no evidence that the defendant had ever attempted to "palm-off" its products as being of the plaintiff's manufacture. Moreover, the plaintiff in that case was a foreign corporation, just as are the plaintiffs in the instant case, and the Supreme Court of Illinois said, on page 505, that a foreign corporation can have no standing to come into the courts of Illinois to contest the right of a domestic corporation to its use of a name bestowed by the state in the exercise of its sovereignty. An injunction against the use of the corporate name of the defendant was denied.

In the case of *Allegretti* v. *Allegretti Chocolate Cream Co.*, 177 Ill. 129, the Supreme Court of Illinois said that the defendants had a right to open their business under the name of Allegretti & Co., provided they did not mislead the public as to the identity of their concern with that of a company previously known by the same name, and that they might use the name of Allegretti, providing they did so in a manner indicating that their goods are manufactured and sold by Rubel and Giacomo Allegretti, and not by Ignazio Allegretti or by Allegretti Chocolate Cream Co.

In the case of *Nestor Johnson Mfg. Co.* v. *Alfred Johnson Skate Co.*, 313 Ill. 106, the plaintiff sought to enjoin the defendant from the use of the word Johnson in its corporate name, on the ground that the word Johnson had come to designate the products of the plaintiff, and to designate goods of a superior quality and excellence produced by the plaintiffs, but the Supreme Court of Illinois not only refused to enjoin the use of the word Johnson by the defendant, but also refused to require the defendant to employ the word "original" in the phrase, "not connected with the original Nestor Johnson Mfg. Co.".

In the case of *DeLong Hook & Eye Co.* v. *Hump Hairpin Mfg. Co.*, 297 Ill. 359, the Supreme Court of Illinois said that a name may be associated with the product of a *particular* manufacturer, but that even in such a case, the use of the word cannot be prohibited. It can only be enjoined unless accompanied by such precautions as will distinguish the article produced by the defendant from the goods of the original manufacturer.

The foregoing cases from Illinois amply show that the law of Illinois, as declared by its courts, will not go to the extreme of enjoining the use of a corporate name, but will only require the defendant to take reasonable precautions to prevent confusion from the similarity of names. Certainly, no court, either state or national, has ever gone to the extreme of enjoining "the use by the defendant of its corporate entity", as was done in the instant case.

The overhelming majority of the decisions of the federal courts is in accord with the foregoing doctrine declared by the courts of Illinois. In the case of *Howe Scale Co.* v. *Wyckoff*, 198 U. S. 118, this court said that the

courts will not interfere where the only confusion results from a similarity of names, and that one corporation cannot restrain another from using in its title a name to which others have a common right, and that the law will only require the later man to take reasonable precautions to prevent mistakes. In the instant case, the plaintiff Grand Rapids Furniture Company of Grand Rapids, Michigan, is not even licensed to do business in the State of Illinois, and probably could not obtain a license, because its name is the same as that of the defendant, which is a domestic corporation, for the Corporation Act of Illinois provides that the name "shall not be the same as, or deceptively similar to, the name of another domestic corporation existing under any act of this State". 1943 Ill. Rev. Stats., chap. 32, paragraph 157.9, subparagraph (c). It is to be noted that this court reversed the case of *Howe Scale Co.* v. *Wyckoff* with directions to dismiss the bill of complaint.

In the case of *Elgin National Watch Co.* v. *Loveland*, 132 Fed. 41, the Circuit Court of Appeals granted an injunction to restrain the defendant from applying the word "Elgin" to its products, but refused to prohibit the defendant from completing its corporation under the name which had been duly authorized by another state, viz., the State of Illinois. If the court in that case would not restrain the defendant from completing its proposed incorporation in Illinois, which the authorities of this State had already authorized, how much more should the court in the instant case not have enjoined the use by the defendant "of its corporate entity already existing"?

In the case of *Elgin Watch Co.* v. *Illinois Watch Co.*, 179 U. S. 665, this court said, on page 667, that primarily the word "Elgin" merely described the place of manufacture, and that the defendants had the right to use it,

though not the right to use it without explanation or qualification, if such use would be an instrument of fraud. The final conclusion of this Court in that case was that the general rule applied, and that the geographical name Elgin could not be employed by, and its exclusive use vested in, the plaintiff as a trade-mark. In the same sense, Grand Rapids is a geographical name and cannot be exclusively employed and adopted by the plaintiffs in the instant case as a trade-mark, and as we have repeatedly pointed out, the evidence shows that none of the plaintiffs had ever used the name Grand Rapids in its secondary meaning as designating their products.

In the case of *Borden Ice Cream Co.* v. *Borden Condensed Milk Co.*, 201 Fed. 510, the Circuit Court of Appeals, for the same circuit which decided the instant case, said that the universal and fundamental test is not whether the public is likely to be deceived as to the maker or seller, and that if the rights of the original proprietor of the trade name are in no way interfered with, the deception of the public is no concern of a court of equity, citing *American Washboard Co.* v. *Saginaw Mfg. Co.*, 103 Fed. 281, in which the Circuit Court of Appeals for the Sixth Circuit also said that deception of the public by fraudulent means gives a right of action for unfair competition only where it results in the sale of defendant's goods as those of the plaintiff. The court went on to say, on page 514, that a court of equity cannot enforce the police power of the state, unless the property rights of the plaintiff are interfered with. It is to be feared, and with due respect to the lower court we submit, that the Court was swayed by the evidence of the customers of the defendant, who complained of misrepresentation as to quality and other breaches of warranty, and that the Court attempted to use the decree of a court of equity to

enforce the police power of the state. It is clear from the evidence that the complaining customers had no real basis for complaint, because they all kept the furniture they bought from the defendant, and paid for it, all but one, without any legal compulsion.

In the case of *Chickering* v. *Chickering & Sons,* 215 Fed. 490, the Circuit Court of Appeals for the Seventh Circuit said, on page 497, that the plaintiffs could have been fully protected and the supposed deception of the public prevented by compelling the defendant to place on the face of the instrument, in addition to the words "Chickering Brothers", some statement indicating that the product was not the original Chickering.

In the case of *Keystone Oil & Mfg. Co.* v. *Buzby,* 219 Fed. 473, the Circuit Court of Appeals for the Seventh Circuit said that where the defendant had used the word Keystone in its corporate name in Illinois before the plaintiff opened its branch office in Illinois, the use of the word Keystone should not be enjoined, even though both were engaged in active competition with each other in the same business of manufacturing and selling the same products. The only restriction imposed by the Court in that case was that the defendant should add to the container the words "Not the product of Keystone Lubricating Co." By analogy with that case, the plaintiff Grand Rapids Furniture Company of Grand Rapids, Michigan, in the instant case, upon opening a branch office in Chicago, should be required to add the words "not connected with Grand Rapids Furniture Company of Illinois", instead of the defendant Grand Rapids Furniture Company, an Illinois corporation, being restrained from using the name granted to it in its charter by the sovereign State of Illinois "and from using its corporate entity already existing".

In the case of *Lawyers Title Ins. Co.* v. *Lawyers Title Ins. Corp.*, 109 Fed. (2nd) 35, the plaintiff sought to restrain the defendant from using its corporate name which was identical with that of the plaintiff except that the defendant used the word Corporation, whereas the plaintiff used the word Company. The Circuit Court of Appeals for the District of Columbia said, on page 38, that the names are substantially identical, that the business is highly competitive, that the plaintiff was the first user of the name, and claims the exclusive right to the use of its name in connection with its good will, and alleged that the defendant was engaging in unfair competition. The Court went on to say, on page 43, that generally a prior proprietor may enjoin the use of an identical name by a subsequent arrival, but that the precaution is founded on the duplication of a name which is the core of another's good will, and the Court said further that an injunction in that case would prevent competition between the defendant and the plaintiff, which the plaintiff is not entitled to do, and finally, the Court said, on page 46, that it is not the function of equity to enable an enterprise, by incorporating it, to use its name as a sword for conquering the territory of competitors nor as a shield to protect its own from invasion. It is to be noted that this Court denied certiorari in that case in 60 S. Ct. 806.

Even in the case of *American Optometric Assn.* v. *Ritholz*, 110 Fed. (2nd) 883, in which the plaintiff was represented by the same counsel who represented the plaintiffs in the instant case, and in which the District Court found that the defendants caused their corporation to be organized as a colorable imitation of the plaintiff for purpose of deception and to defraud the plaintiff, the Court did not enjoin the defendant from using its corporate entity, nor even from the use of its corporate name, but merely

from further prosecution of malicious and unfounded actions at law in a number of states.

In the instant case there is no finding of malice, and there is no basis in the evidence for any finding of any intent to defraud, nor of any intent to annoy the plaintiffs or to cause them any damage. Neither is there any basis in the evidence for finding that the use by the defendant of the name Grand Rapids in its corporate name had ever caused the plaintiffs a penny's worth of damage. Neither is there any basis in the evidence for finding that the use by the defendant of its corporate name would be likely to cause a penny's worth of damage to any of the plaintiffs. Neither is there any basis in law for prohibiting the defendant from the use of its corporate name. Neither is there any basis in law for enjoining the defendant from the use of its corporate entity, which amounts practically to an involuntary dissolution.

For the reason that the District Court did not have jurisdiction of this case, because the statutory jurisdictional amount was not in controversy, and for the reason that the words "Grand Rapids" were not, and are not, a trade name belonging to the plaintiffs or any one of them and have never been adopted by the plaintiffs to designate their products, and for the reason that the defendant has not been guilty of unfair competition in that it has never sought to "palm-off" its goods as the goods of the plaintiffs, and has not caused the plaintiffs any damage, and is not likely to cause the plaintiffs any damage in the future, and for the reason that equity has no jurisdiction to enforce the police power of the state and to prevent misrepresentation and breaches of warranty where no damage to the property rights of the plaintiffs is shown, and because the courts of the United States

have no jurisdiction to dissolve involuntarily a corporation, duly organized and existing under the laws of the sovereign State of Illinois, by prohibiting it from using its corporate entity, or even by infringing on its franchise by prohibiting the use by it of the name granted to it by the sovereign State of Illinois, we respectfully submit that the Court should require by *certiorari* that the record of the Circuit Court of Appeals for the Seventh Circuit in this case should be certified to this Court for examination and review.

Respectfully submitted,

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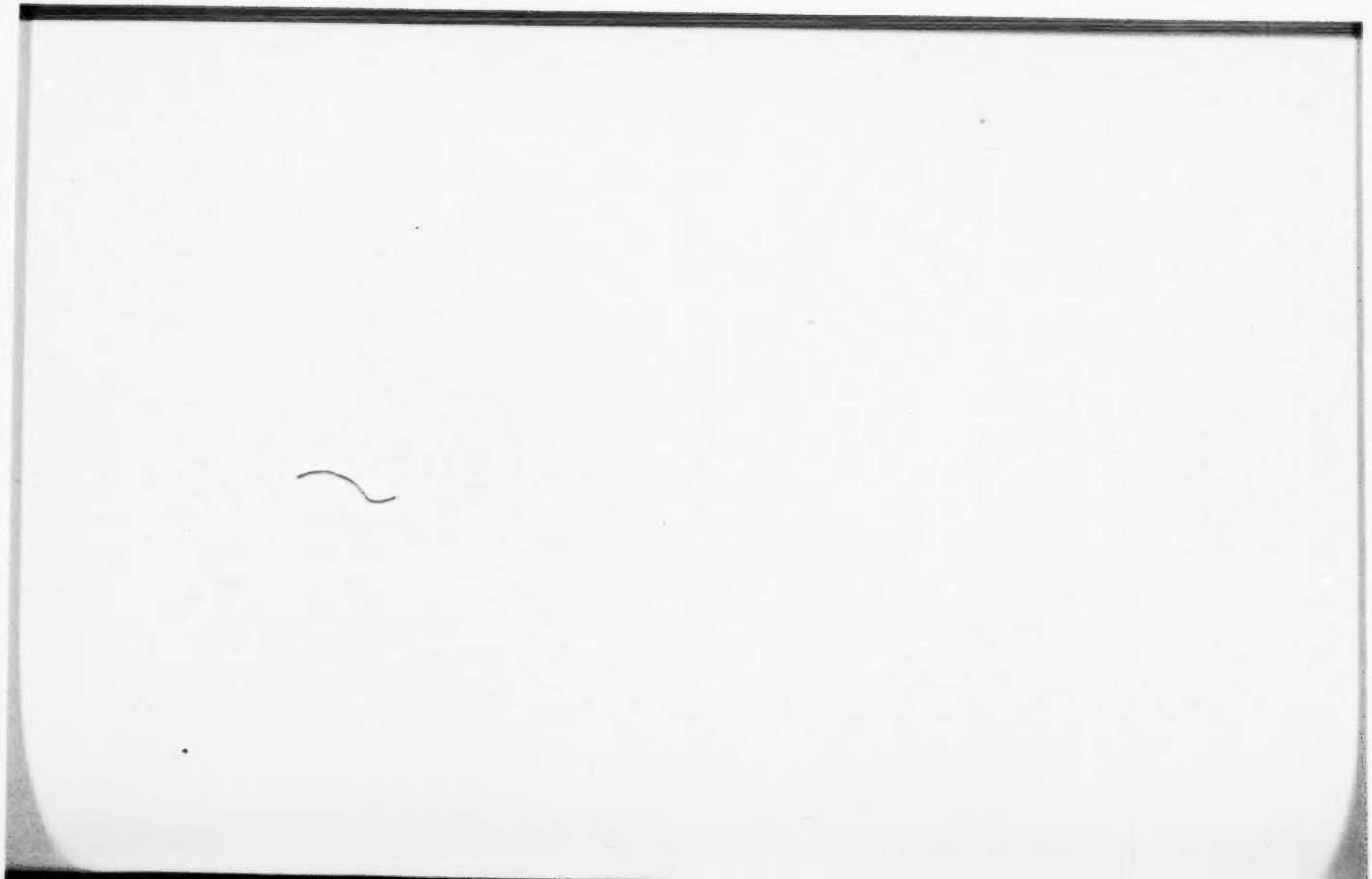

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CHARLES ELMORE CROPLEY

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, A. D. 1943

No. 583

GRAND RAPIDS FURNITURE COMPANY,
AN ILLINOIS CORPORATION,
Petitioner,

VS.

GRAND RAPIDS FURNITURE COMPANY,
A CORPORATION, ET AL.,
Respondents.

ANSWER OF RESPONDENTS AND BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI.

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STATEMENT OF FACTS.

This additional statement of facts is made to supply omissions and to correct misstatements contained in the petition and supporting brief.

The evidence showed and the trial court found that one of the plaintiffs, Grand Rapids Furniture Company, a Michigan corporation, with its principal place of business in the City of Grand Rapids, has been engaged in the business of manufacturing and selling household furniture since 1907; that it has an investment of approximately $250,000, and that the volume of its sales in the Chicago

district has been from $40,000 to $50,000 per year to some 15 to 20 dealers (R. 26, 27, 46).

The evidence showed and the court found that the plaintiff, Furniture Manufacturers Association of Grand Rapids, Michigan, is an association of furniture manufacturers, including the other plaintiffs, and that all of the other plaintiffs are and for many years have been engaged in the City of Grand Rapids in the State of Michigan, in the business of manufacturing and selling household furniture in which business the plaintiffs have invested in excess of $8,000,000 in plants and equipment; that the investment of the plaintiffs in national advertising and the development of good will for Grand Rapids furniture is in excess of $1,750,000, and that the aggregate sales volume of the plaintiffs in the Chicago district is approximately $800,000 per year (R. 21-47).

The evidence showed and the court found that the City of Grand Rapids, Michigan, is a large and important center of the furniture industry in the United States, which fact is generally known to the public and that furniture manufactured in Grand Rapids has for many years enjoyed a widespread popularity, good will and demand throughout the United States and that the words "Grand Rapids furniture" have acquired in the trade a special significance; that furniture made in Grand Rapids is held by a large part of the purchasing public to be superior in design, workmanship and value to furniture usually produced elsewhere, and that among the purchasing public many prefer Grand Rapids furniture to furniture made elsewhere; that "Grand Rapids furniture" is and the public understands it to be furniture manufactured in the City of Grand Rapids, Michigan; and that by reason of the foregoing facts and the methods of merchandising followed by the plaintiffs, the plaintiffs have acquired the good will of the

furniture purchasing public and furniture dealers for Grand Rapids furniture of the value of several millions of dollars (R. 21, 22, 40, 47).

The evidence showed and the court found that the defendant Grand Rapids Furniture Company was organized in 1933 in Illinois by Maurice Schwartz, Dora Schwartz and Bertha Schwartz, and that Maurice Schwartz, Isadore Schwartz and Daniel Schwartz had previously operated a corporation as Grand Rapids Furniture Company but prior to the incorporation of the defendant corporation had changed the name of the previously organized company to Schwartz Furniture Company; that in 1934, Maurice Schwartz, Dora Schwartz and Bertha Schwartz organized an Illinois corporation under the name of Grand Rapids Storage and Furniture Company; that the defendants never had a factory in Grand Rapids, Michigan, were not connected with any concern in Grand Rapids, Michigan; and that there is nothing to show that they ever purchased or dealt in any Grand Rapids furniture (R. 23, 25, 44, 47).

The evidence showed and the court found that the defendants ran misleading advertisements in the Chicago newspapers containing fraudulent representations that they had a factory and that by purchasing from them money would be saved because the purchase was direct from their factory, thus saving the middleman's profit; that besides the statements in their advertising matter, the defendants falsely represented to customers that they had a factory at Grand Rapids, Michigan, and that the furniture handled by them was Grand Rapids furniture; that the defendants not only availed themselves of the good will of Grand Rapids furniture in the minds of the public, but by dishonest sales methods, such as delivering second hand furniture when customers thought they were purchasing new furniture, destroyed the confidence and respect of purchas-

ers for Grand Rapids furniture; that customers were actually led to believe that the defendant's stores in Chicago were merely outlets for merchandise manufactured by them in Grand Rapids, Michigan; that dissatisfied customers of the defendants addressed letters to Grand Rapids Furniture Company at Grand Rapids, Michigan, believing that they were making complaint to the main office or headquarters of the defendants (R. 29, 36, 27, 28, 48); that such letters were delivered to the plaintiff corporation, Grand Rapids Furniture Company, at Grand Rapids, Michigan, whose name the defendants had appropriated, and that a great number of such complaints were received by that company (R. 27, 28).

The trial court found that "It is evident that the defendant corporation was organized with the intent and for the purpose of deceiving the public and leading prospective purchasers to believe that said defendant had some connection with a Grand Rapids furniture factory and sold Grand Rapids furniture, and that such purchasers were deriving some benefit by purchasing direct from Grand Rapids; the defendant corporation was actually engaged in selling at retail cheap, inferior furniture, some of it being second-hand furniture. The defendant's vice president testified that it came from all over the country, and there is no evidence that any of it was manufactured in Grand Rapids" (R. 48). Six or seven hundred persons had filed complaints with the Chicago Better Business Bureau that they were dealt with unfairly by the defendants and a number of dissatisfied customers of the defendant corporation testified regarding the treatment they received at the hands of the defendants and representations that were made to them (R. 30-36, 48).

The trial court found that "With the exception of the vice president of the defendant corporation who was subpoenaed by the plaintiffs and called as an adverse witness,

none of the officers of the defendant corporation and none of the defendants appeared or testified. The individual defendants have operated stores under various names at various locations in the City of Chicago from time to time and it appears from a photograph in evidence that their last place of business was vacant at the time the photograph was taken and it was stated by counsel that the individual defendants are now in the State of California" (R. 48, 49).

In 1935, the defendant corporation signed an agreement promising the Chicago Better Business Bureau that it would discontinue 21 specific merchandising practices, among others, that "no claim will be made in advertising or selling that this company is a branch of or affiliated with the Grand Rapids Furniture Company of Grand Rapids, Michigan," and that "no claim will be made in advertising or selling that the furniture so advertised or sold is manufactured in Grand Rapids, Michigan, unless such be the fact" (R. 38, 49).

Subsequent to those promises, the defendants continued the practices which they promised to discontinue and the attorney for the defendant corporation, who was the only witness on behalf of the defendants, testified that subsequent to the agreement the Chicago newspapers, which had theretofore carried the advertisements of the defendant corporation, refused to accept its advertising. The great number of complaints against the defendants, as well as an investigation by the State's Attorney's office which was mentioned by the defendant's witness, were reported in the Report of the Chicago Better Business Bureau, a publication which was circulated among some three thousand business concerns in the Chicago district. These articles referred to the defendant corporation as "Grand Rapids Furniture Company," the name appropriated by the defendants (R. 43, 44, 50).

The court made further specific findings from evidence in the record that the defendants (*a*) falsely represented to the public that their store was a branch of the Grand Rapids Furniture Company of Grand Rapids, Michigan; (*b*) falsely represented to the public that their store was a sales outlet for a furniture factory at Grand Rapids, Michigan; (*c*) falsely represented to the public that their factory was at Grand Rapids, Michigan; (*d*) falsely represented to the public that the furniture sold by them was manufactured at Grand Rapids, Michigan; (*e*) falsely represented to the public that purchases of furniture from them were purchases of Grand Rapids furniture direct from the factory at Grand Rapids, Michigan; (*f*) engaged in false, fraudulent and misleading advertising; (*g*) substituted other furniture for the furniture purchased by their customers; (*h*) sold as Grand Rapids furniture inferior furniture at prices which gave to purchasers a false idea of the value of genuine Grand Rapids furniture; (*i*) engaged in each and all of the practices above mentioned, knowing of the existence of the plaintiff Grand Rapids Furniture Company, having mentioned said company in the stipulation above described and knowing that the name "Grand Rapids" was a common law trade name and of great value to the plaintiffs herein; (*j*) irreparably injured the plaintiffs by the use of the name "Grand Rapids" in making sales to members of the public and potential customers of one or more of the plaintiffs; (*k*) irreparably injured the plaintiffs by leading a large section of the public to believe that Grand Rapids furniture is a shoddy and inferior product and that those who sell Grand Rapids furniture are unreliable; (*l*) irreparably injured the good will which the plaintiffs have established in Chicago and throughout the country (R. 50, 51).

The evidence showed that the fraudulent practices of the defendants necessarily damaged the plaintiffs in three dif-

ferent ways: *First,* by advertising as the Grand Rapids Furniture Company selling furniture "direct from the factory" which they represented to be at Grand Rapids, Michigan, they appealed to a portion of the public who desired to buy Grand Rapids furniture; they sold furniture to such persons, many of whom would otherwise have purchased furniture manufactured by the plaintiffs and thus took a dishonest and fraudulent advantage of the good will built up by the plaintiffs over a period of years by the expenditure of more than $2,000,000 in national advertising; *second,* they destroyed in the minds of hundreds of people in the Chicago district their good will towards Grand Rapids furniture as a result of defendant's fraudulent acts and misrepresentations, the resulting unpopularity and the natural confusion in the assumption that the Grand Rapids Furniture Company which was guilty of such fraudulent practices was the Grand Rapids Furniture Company of Grand Rapids, Michigan; and, *third,* that the plaintiffs had a policy and practice of selling only to dealers and sold to some eighty to one hundred retail furniture dealers in the City of Chicago; that such policy had been an asset of great value to the plaintiff because dealers bought Grand Rapids furniture in the belief and with the understanding that the members of the general public could not make purchases direct from the factory and that people in the Chicago district who desired to buy Grand Rapids furniture would buy from them (R. 45, 27, 40).

The trial court found that the value of the matter in dispute exceeds the sum of $3,000, exclusive of interest and costs (Finding of Fact No. 2, R. 46); that the plaintiffs will be damaged in an amount greatly in excess of $3,000, exclusive of interest and costs if the products of the Grand Rapids furniture factories are confused with the products of other factories and their business methods are confused with the business methods of the defendants, and if the defendants continue in the use of the words "Grand

Rapids'' in connection with the sale of furniture (Finding of Fact No. 12, R. 51); that the plaintiff, Grand Rapids Furniture Company, will be damaged in an amount greatly in excess of $3,000, exclusive of interest and costs by the continued use by the defendants of the corporate name ''Grand Rapids Furniture Company'' which was patently adopted by the defendants for the purpose of carrying out the fraudulent purposes hereinabove described (Finding of Fact No. 13, R. 51); that the plaintiffs have acquired the good will of the furniture purchasing public and furniture dealers for Grand Rapids furniture of the value of several millions of dollars (Finding of Fact No. 6, R. 47), and that unless the injunction is made permanent the reputation, popularity and good will of Grand Rapids furniture manufactured and sold by plaintiffs will be irreparably injured (Finding of Fact No. 14, R. 51).

Attention is here directed to two out of the various misstatements in the petition and supporting brief, to-wit: the statement at page 29 that ''no attempt was made by the plaintiffs or any of them to show how much any one of them had invested in plant or equipment, or what the average annual sales of any one of them was'' (Cf. R. 26, 27); and the statement at page 47 that in the case of *American Optometric Association* v. *Ritholz*, 110 Federal (2d) 883, the court did not enjoin the defendant from the use of its corporate name. Cf. page 108 of the record in that case in this court, No. 986 (certiorari denied) showing the order enjoined the defendant ''from operating as a non-profit corporation under the name of American Optometric Association, or any similar or like name, or any name using the words 'American,' 'Optometric,' or 'Association,' or either of them, or any similar or like name, and from using or permitting to be used in any like manner such corporate name or corporate entity already existing, and from incorporating any organization using such names.''

SUMMARY OF ARGUMENT.

I. The permanent injunction decree entered after trial on the merits, was affirmed from the bench without opinion. The only question the Circuit Court of Appeals had to decide was whether or not the evidence supported the averments of the complaint. Its decision as to the sufficiency of the complaint and all other questions of law here sought to be reviewed, had previously been invoked and its judgment entered, on appeal from the temporary injunction order. The judgment of the Circuit Court of Appeals on these questions (*Grand Rapids Furniture Company, et al.*, v. *Grand Rapids Furniture Company,* 127 Fed. 2d, 245), was entered on April 16, 1942, and no petition for rehearing having been filed, became final on May 6, 1942, more than one year and eight months before the petition for certiorari was filed in this court. Except for the question as to whether the averments of the complaint were proved, all questions decided by the Circuit Court of Appeals upon which this court is asked to rule were decided not on October 8, 1943, but on April 16, 1942, and more than three months before this application was made.

II. The judgment of the Circuit Court of Appeals to which the petition purports to be directed is not encompassed within rule 38. It is neither (*a*) in conflict with the decision of any other Circuit Court of Appeals, nor (*b*) in

conflict with applicable local decisions, nor (*c*) in conflict with the applicable decisions of this court. It is not a decision of any question of local law nor of an important question of federal law which has not been decided by this court.

III. "What is here involved is the value of the right sought to be protected. In this case it is the trade name —a thing common to each of the appellees and indivisible among them, and of as large value to one alone as to the group * * * it is the good will—the right to the exclusive use of the name which is in danger, and the bare statement of the fact conclusively indicates a value many times larger than the jurisdictional amount." *Harvey* v. *American Coal Company* (C.C.A. 7th Circuit), 50 Fed. (2nd) 832, certiorari denied, 284 U. S. 669; *Glenwood Light and Water Company* v. *Mutual Light, Heat and Power Company,* 239 U. S. 121.

IV. Affirmance of the final decree was fully justified by the evidence, the trial court's findings of fact, the decisions of this court and the previous adjudication by the Circuit Court of Appeals. "The equities of this case are impressive and they loudly appeal to the conscience of the court." *Grand Rapids Furniture Co. et al.* v. *Grand Rapids Furniture Co.,* 127 Fed. (2) 245.

V. Plaintiffs have such a common interest in the right sought to be protected that it is enough that their interests collectively exceed the jurisdictional amount *Gibbs* v. *Buck,* 307 U. S. 66; *Harvey* v. *American Coal*

Company (C.C.A. 7th Cir.) 50 Federal 2d, 832, certiorari denied, 284 U. S. 669.

VI. The fact that the interest of one of the plaintiffs whose corporate name the defendants had adopted for the purpose of carrying out their fraudulent practices exceeded the jurisdictional amount was sufficient to give the court jurisdiction. *Gibbs* v. *Buck,* 307 U. S. 66.

VII. Actual market competition is not an essential element of unfair competition. *Indian Territory Oil & Gas Company* v. *Indian Territory Illuminating Oil Company,* 95 Fed. 2d, 711 (C.C.A. 10th Cir.) certiorari denied, 305 U. S. 607; *Lady Esther Limited* v. *Lady Esther Corset Shoppe,* 317 Ill. App. 451.

VIII. The form of the injunction decree is supported by ample precedents and is not unduly broad. *Indian Territory Oil & Gas Company* v. *Indiana Territory Illuminating Oil Company,* 95 Fed. 2d, 711, certiorari denied, 305 U. S. 60; *American Optometric Association* v. *Ritholz,* 101 Fed. 2d 883 (C.C.A. 7th Cir.), certiorari denied, 307 U. S. 647.

CONCLUSION.

No important question of public policy is involved in this case. The complaint presented a case cognizable by a federal court of equity; the court had jurisdiction; the evidence fully supported the trial court's findings of fact; the findings justified the decree; the decree was properly affirmed by the Circuit Court of Appeals. There is no merit in the petition, and this case is not a proper one for review by certiorari.

The respondents, therefore, respectfully request that the petition for a writ of certiorari be denied.

Respectfully submitted,

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Of Counsel.

CERTIFICATE OF COUNSEL.

I certify that I have personal knowledge of this litigation; that I have examined the foregoing answer of respondent and brief in opposition to the petition for certiorari which was prepared personally by me and that the statements of fact therein are true.

JOHN J. YOWELL.